



Table of Contents

This report has been prepared to provide a summary of the FY 2015 hospital budgets as they were approved by the Green Mountain Care Board. The report also provides selected trends and indicators for the hospital system and a schedule that lists the rates (price increases) as approved by the GMCB.

FY 2015 Hospital System Summary	Slides 3-19

❖ Selected System Indicators
Slides 20-29

❖ Available Reports and Contact Information
Slides 30-31

Appendix A

Reporting Adjustments to Net Patient Revenue Growth Slides 32-37



Approved FY 2015 Hospital Budgets



Summary of Hospital System Operating Budgets

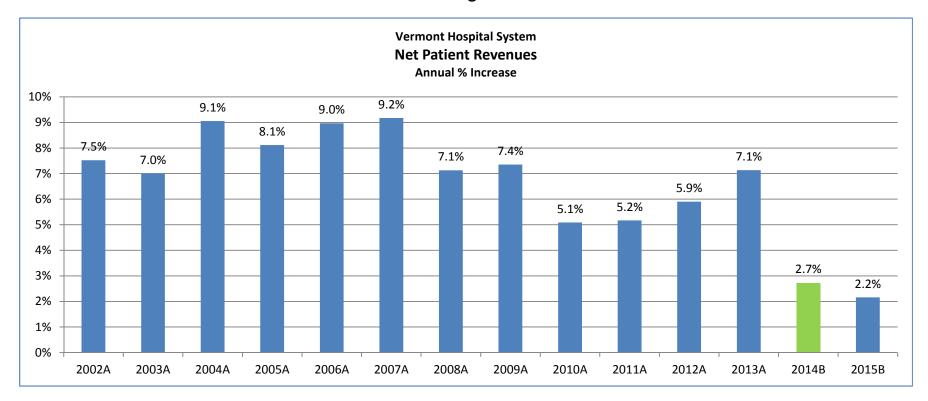
The approved FY 2015 budgets show a total system wide net patient revenue increase of 2.2%. Dating back from the 1980s, this increase is among the lowest increases on record.

			2014B-2015B	
	2014B	2015B	\$ Growth	% Change
Gross Patient Care Revenue	\$4,688,838,433	\$4,735,245,480	\$46,407,047	1.0%
Net Revenue Deductions	(\$2,506,933,435)	(\$2,506,184,843)	\$748,592	0.0%
Net Patient Care Revenue	\$2,181,904,998	\$2,229,060,637	\$47,155,638	2.2%
Other Operating Revenue	\$102,620,549	\$127,360,793	\$24,740,244	24.1%
Total Operating Revenue	\$2,284,525,547	\$2,356,421,429	\$71,895,882	3.1%
Operating Expense	\$2,217,158,273	\$2,280,130,288	\$62,972,015	2.8%
Net Operating Income (Loss)	\$67,367,275	\$76,291,142	\$8,923,867	13.2%
Non-Operating Revenue	\$31,326,666	\$30,523,392	(\$803,275)	-2.6%
Excess (Deficit) Rev over Exp	\$98,693,941	\$106,814,533	\$8,120,593	8.2%



System Net Patient Revenue Increase

The GMCB approved hospital budgets to a net patient revenue growth of less than 3% for FY 2014 and FY 2015 Budgets.



Note: A change in reporting bad debt occurred beginning in Fiscal year 2012 – this report has been adjusted to reflect that change. Also, the percent change in the 2014B and 2015B column reflects the GMCB approved Bud-Bud increase.



Net Patient Revenues Increase

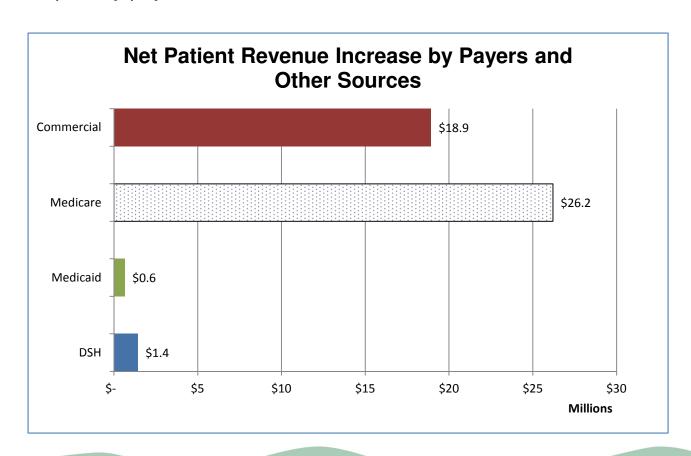
This schedule presents each hospital's approved budget. Program or service additions or reductions to a hospital's organizational structure explain some of the unusual "Budget to Budget" changes. Examples include physician practice acquisitions or elimination of home health services. See a more complete explanation in the Appendix.

			B14-B1	5
	Bud 2014	Bud 2015	\$ Difference	% Change
Brattleboro Memorial Hospital	\$ 69,793,064	\$ 71,284,572	\$1,491,508	2.1%
Central Vermont Medical Center	\$ 160,372,377	\$ 166,221,844	\$5,849,467	3.6%
Copley Hospital	\$ 57,795,625	\$ 59,600,484	\$1,804,859	3.1%
Fletcher Allen Health Care	\$ 1,059,369,725	\$ 1,087,767,762	\$28,398,037	2.7%
Gifford Medical Center	\$ 64,106,475	\$ 57,753,248	(\$6,353,227)	-9.9%
Grace Cottage Hospital	\$ 16,560,535	\$ 17,980,282	\$1,419,747	8.6%
Mt. Ascutney Hospital & Health Center	\$ 46,900,850	\$ 48,508,891	\$1,608,041	3.4%
North Country Hospital	\$ 75,375,299	\$ 73,586,146	(\$1,789,153)	-2.4%
Northeastern VT Regional Hospital	\$ 64,687,170	\$ 65,324,117	\$636,947	1.0%
Northwestern Medical Center	\$ 87,759,305	\$ 90,795,885	\$3,036,580	3.5%
Porter Medical Center	\$ 69,809,477	\$ 72,696,910	\$2,887,433	4.1%
Rutland Regional Medical Center	\$ 217,820,712	\$ 224,138,940	\$6,318,228	2.9%
Southwestern VT Medical Center	\$ 139,576,168	\$ 139,041,542	(\$534,626)	-0.4%
Springfield Hospital	\$ 51,978,216	\$ 54,360,014	\$2,381,798	4.6%
System Total	\$ 2,181,904,998	\$ 2,229,060,637	\$47,155,638	2.2%



Net Patient Revenue Increase by Payer Source

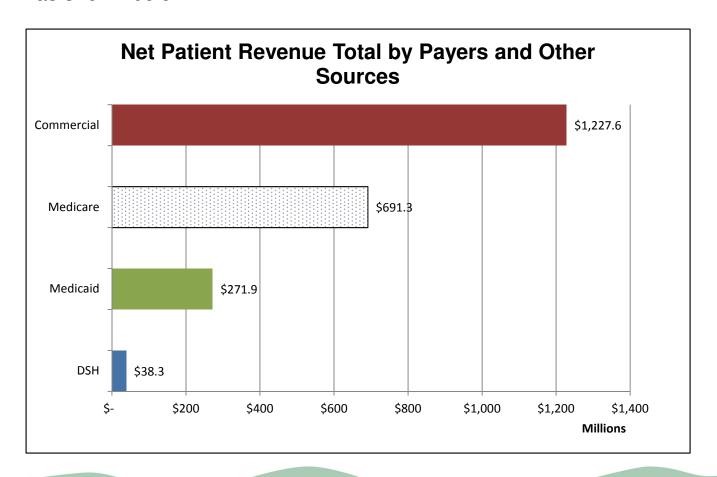
The \$47.1 million 2014 Budget to 2015 Budget increase (2.2%) will be paid by payer sources as shown below.





Total Net Patient Revenue by Payer Source

The total FY 2015 \$2.2 billion budget will be paid by payer sources as shown below.





Budgeted Rate Increases

The rate increase is the price increase for services that each hospital needs in order to achieve their budgeted net patient revenues. A number of factors influence the need for a rate. These include change in utilization, number and type of services, payer mix, costs, and operating surplus needs.

	Approved Rate	Approved Rate	Submitted Rate	Approved Rate
	2013	2014	2015	2015
Brattleboro Memorial Hospital	5.2%	5.8%	2.7%	2.7%
Central Vermont Medical Center	5.0%	6.9%	5.9%	5.9%
Copley Hospital	3.0%	6.0%	0.0%	0.0%
Fletcher Allen Health Care	9.4%	4.4%	7.8%*	7.8%*
Gifford Medical Center	6.1%	7.6%	5.6%	5.6%
Grace Cottage Hospital	6.5%	6.0%	5.0%	5.0%
Mt. Ascutney Hospital & Health Ctr	7.0%	5.0%	3.2%	3.2%
North Country Hospital	4.6%	8.0%	8.3%	8.3%
Northeastern VT Regional Hospital	6.5%	5.6%	5.0%	5.0%
Northwestern Medical Center	2.9%	3.9%	6.4%	6.4%
Porter Medical Center	5.0%	6.0%	5.0%	5.0%
Rutland Regional Medical Center	10.3%	4.8%	8.4%	8.4%
Southwestern VT Medical Center	6.8%	7.2%	4.5%	4.5%
Springfield Hospital	6.0%	4.6%	5.5%	5.5%
Median - all hospitals	6.1%	5.9%	5.2%	5.2%

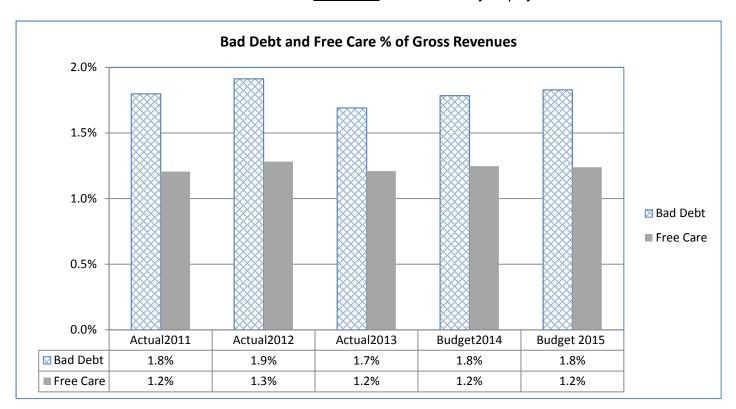
^{*} The actual rate change for FAHC was 0.0% in 2015. While they changed rates for certain services, the overall budget effect from prices was considered neutral (some prices were lowered). However, the reimbursement increase effect to commercial payers is estimated to INCREASE payers' obligation by 7.8%. The FY 2015 approved rate for Fletcher Allen refers to their "commercial ask" which is explained in their budget narrative.



Uncompensated Care Change

A significant increase in uncompensated care can have the effect of pushing rate increases higher. However, their has not been any significant change in these accounts the last several years.

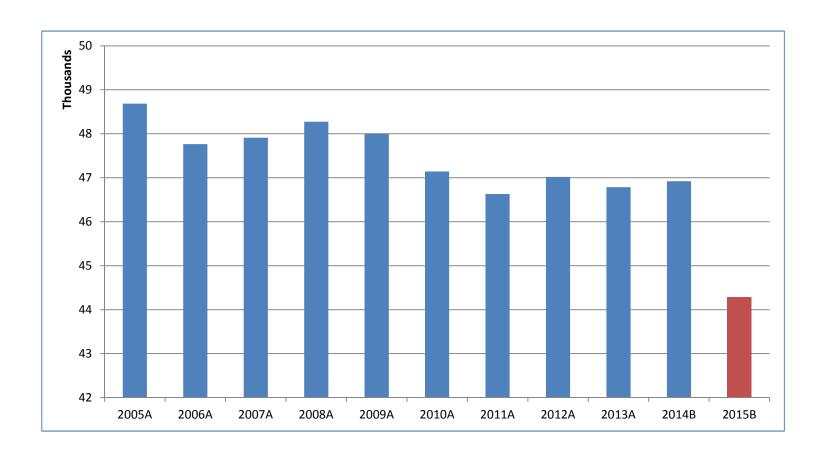
Bad debt is considered revenue not received by a patient that <u>has</u> the ability to pay while free care is revenue not collected from someone who <u>does not</u> have the ability to pay.





Utilization Change

Acute admissions continue to decline across the hospital system.





Utilization Change

Inpatient care is declining while outpatient care is increasing.

Outpatient visits include a variety of ancillary services such as surgical procedures, tests, exams, scans, ER visits, and other visit measures.





Non-MD Full Time Equivalents Change

	2013	2014	2014	2015	B2014-B2015	
HOSPITAL	Actual Results	Approved Budget	Projected Results	Approved Budget	Change	% Change
Brattleboro Memorial Hospital	387	401	393	405	4	1.0%
Central Vermont Medical Center	1,054	1,083	1,049	1,095	12	1.1%
Copley Hospital	325	339	337	349	10	3.0%
Fletcher Allen Health Care	5,582	5,786	5,786	5,843	56	1.0%
Gifford Medical Center	414	422	415	370	-51	-12.2%
Grace Cottage Hospital	133	128	125	137	9	7.3%
Mt. Ascutney Hospital & Health Center	334	303	316	320	17	5.6%
North Country Hospital	449	456	419	433	-23	-5.0%
Northeastern VT Regional Hospital	387	387	387	387	0	-0.1%
Northwestern Medical Center	512	518	502	530	13	2.5%
Porter Medical Center	408	418	410	436	18	4.4%
Rutland Regional Medical Center	1,140	1,071	1,094	1,114	43	4.0%
Southwestern VT Medical Center	803	751	767	735	-17	-2.2%
Springfield Hospital	307	290	301	300	10	3.4%
Total	12,237	12,352	12,302	12,453	101	0.8%

Fletcher Allen includes residents and mid-level providers in this category. Mt. Ascutney includes mid-level providers.



MD Full Time Equivalents Change

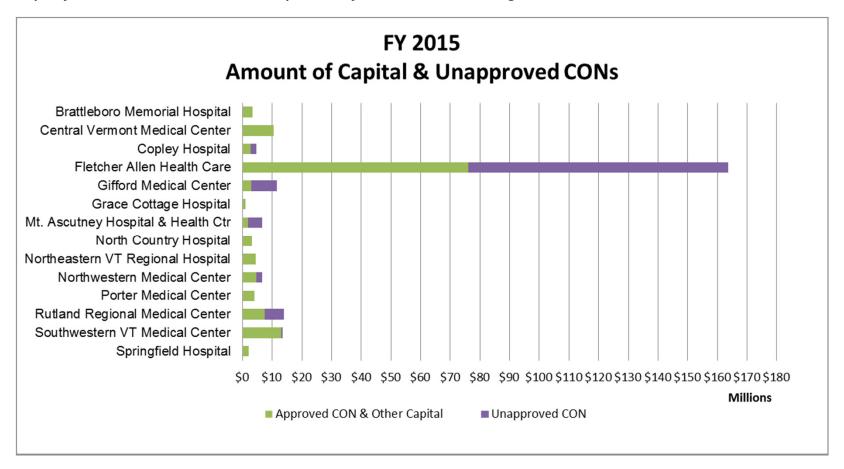
	2013	2014	2014	2015	B2014-B2015	
HOSPITAL	Actual Results	Approved Budget	Projected Results	Approved Budget	Change	% Change
Brattleboro Memorial Hospital	33	44	50	55	11	24.3%
Central Vermont Medical Center	74	75	74	79	4	5.3%
Copley Hospital	15	17	17	17	1	3.6%
Fletcher Allen Health Care	488	520	520	526	6	1.1%
Gifford Medical Center	38	40	37	23	-17	-43.0%
Grace Cottage Hospital	7	7	7	9	2	27.3%
Mt. Ascutney Hospital & Health Center	22	20	20	24	4	21.8%
North Country Hospital	36	33	33	31	-2	-7.3%
Northeastern VT Regional Hospital	27	27	27	28	0	1.6%
Northwestern Medical Center	29	29	30	30	1	3.2%
Porter Medical Center	36	39	36	36	-3	-7.3%
Rutland Regional Medical Center	80	89	87	90	0	0.5%
Southwestern VT Medical Center	58	64	63	81	17	26.7%
Springfield Hospital	14	25	24	23	-2	-8.9%
Total	956	1,030	1,025	1,052	21	2.1%

Fletcher Allen residents and mid-level providers are not included here, they are included in non-MD FTES. Also, Mt. Ascutney mid-level providers are included in non-MD FTES.



Capital Spending Budget

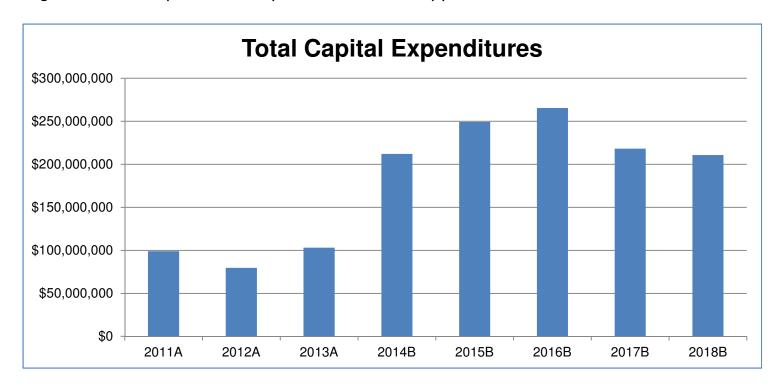
The capital spending plans for hospitals includes possible Certificate of Need projects that need to be separately reviewed during FY 2015.





Capital Spending Trends

Capital spending on buildings and equipment has averaged \$100 million for the past few years. Estimated amounts for the period 2014 – 2018 are expected to reach the \$200-\$250 million range if all current plans and expected CONs are approved.



Note: For 2014B through 2018B, unapproved CON plans total \$93m, \$112m, \$138m, \$118m, \$113m respectively.



What is the hospital system cost shift increase?

The cost shift is budgeted to increase in 2015 by \$26.1 million (7.1%). This increase is lower than the average annual increase of 8.4% for the period 2008-2014. The year to year changes in reimbursement policies in Medicare and Medicaid explain much of the volatility.

Fiscal Year	Medicare	Medicaid	Medicaid Free Care			*Commercial Insurance & Other	
Act 2008 Act 2009 Act 2010 Act 2011 Act 2012 Act 2013 Bud 2014 Bud 2015	\$ (69,003,712) \$ (73,627,496) \$ (73,515,988) \$ (88,399,861) \$ (68,334,861) \$ (128,033,776) \$ (166,065,165) \$ (175,171,362)	\$ (103,569,366) \$ (119,979,398) \$ (138,016,619) \$ (152,256,740) \$ (151,931,648) \$ (105,998,937) \$ (134,778,449) \$ (150,394,735)	\$ (24,292,187) \$ (24,806,398) \$ (25,784,124) \$ (24,347,367) \$ (24,685,204) \$ (25,982,503)	\$(30,252,980) \$(32,391,214) \$(33,076,863) \$(34,331,093) \$(39,264,676) \$(37,386,222) \$(40,263,981) \$(41,464,624)	→ → → → → → → →	\$ \$ \$ \$ \$ \$ \$ \$ \$	226,450,033 250,290,295 269,415,868 300,771,818 283,878,552 296,104,139 367,090,098 393,167,892

Payer values include all hospital and employed physician services

Numbers in parentheses reflect the estimated cost of services that each payer shifted to other payers

Medicaid values include non-Vermont Medicaid of approximately 5%.

* The amount providers shifted to commercial insurance and self pays.



What is the hospital system cost shift increase?

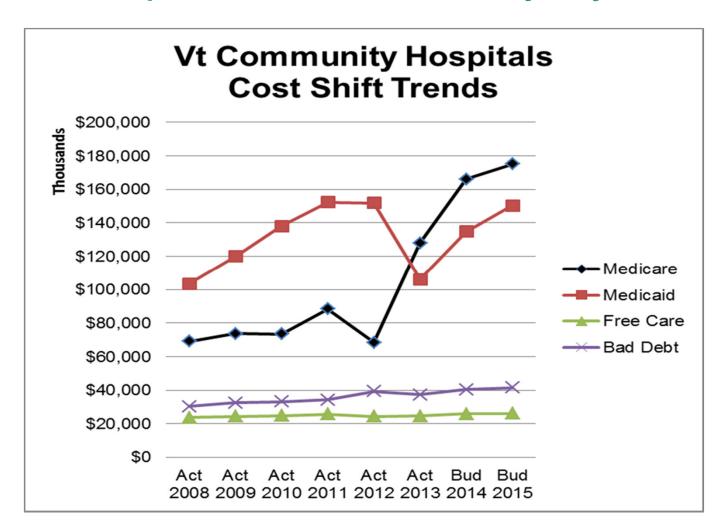
Individual hospital cost shift amounts can be influenced by payer mix and by differences in their Medicare designation (Critical Access Hospital, Prospective Payment Hospital).

Provider	Medicare	Medicaid	Free Care	Bad Debt		Commerical
Brattleboro Memorial Hospital	(\$7,351,948)	(\$6,675,590)	\$ (1,263,206)	\$ (2,164,091)	\longrightarrow	\$17,454,834
Central Vermont Hospital	(\$7,496,072)	(\$10,541,561)	\$ (2,028,252)	\$ (3,389,271)	\longrightarrow	\$23,455,156
Copley Hospital	(\$1,469,888)	(\$5,831,327)	\$ (724,534)	\$ (1,719,401)	\longrightarrow	\$9,745,151
Fletcher Allen Health Care	(\$99,456,095)	(\$58,438,485)	\$ (11,572,465)	\$ (13,505,382)	\longrightarrow	\$182,972,427
Gifford Medical Center	(\$1,352,730)	(\$5,126,892)	\$ (608,609)	\$ (1,855,146)	\longrightarrow	\$8,943,377
Grace Cottage Hospital	\$1,760,698	(\$1,286,103)	\$ (339,756)	\$ (419,443)	\longrightarrow	\$284,604
Mount Ascutney Hospital	\$2,736,226	(\$1,018,921)	\$ (438,168)	\$ (1,155,766)	\longrightarrow	(\$123,371)
North Country Hospital	(\$3,587,153)	(\$8,203,789)	\$ (566,663)	\$ (1,948,323)	\longrightarrow	\$14,305,927
Northeastern VT Regional Hospital	(\$4,101,573)	(\$6,118,148)	\$ (1,324,995)	\$ (1,438,317)	\longrightarrow	\$12,983,033
Northwestern Medical Center	(\$3,311,779)	(\$8,441,383)	\$ (851,563)	\$ (2,906,596)	\longrightarrow	\$15,511,321
Porter Medical Center	(\$2,587,261)	(\$6,042,222)	\$ (661,179)	\$ (1,386,089)	\longrightarrow	\$10,676,752
Rutland Regional Medical Center	(\$35,737,233)	(\$18,133,270)	\$ (3,159,938)	\$ (4,482,779)	\longrightarrow	\$61,513,219
Southwestern Vermont Medical Center	(\$14,188,854)	(\$10,863,559)	\$ (1,052,063)	\$ (2,769,992)	\longrightarrow	\$28,874,469
Springfield Hospital	\$972,299	(\$3,673,486)	\$ (1,545,779)	\$ (2,324,027)	\longrightarrow	\$6,570,993
SYSTEM	\$ (175,171,362)	\$ (150,394,735)	\$ (26,137,170)	\$ (41,464,624)	\longrightarrow	\$ 393,167,891

Note: Numbers in parentheses reflect the estimated cost of services shifted to payers. Positive numbers indicate which payer(s) pick up the cost.



Hospital Cost Shift Trends by Payer





FY 2015 VERMONT HOSPITAL BUDGETS

Selected System Indicators



Selected System Trends

	Actual	Actual	Budget	Projected	Budget
	2012	2013	2014	2014	2015
Income Statement Summary					
Gross Revenue	\$4,080,922,591	\$4,386,699,399	\$4,688,838,433	\$4,650,859,581	\$4,735,245,480
Inpatient	\$1,047,132,099	\$1,136,996,793	\$1,256,104,261	\$1,233,941,442	\$1,254,691,561
Outpatient	\$2,067,321,956	\$2,187,819,655	\$2,318,561,376	\$2,303,990,319	\$2,426,250,237
Physician	\$898,876,483	\$991,544,706	\$1,045,134,453	\$1,041,007,133	\$980,063,298
Other Rev - Chronic, Swing, SNF	\$67,592,052	\$70,338,247	\$69,038,341	\$71,920,689	\$74,240,380
Deductions	(\$2,086,608,816)	(\$2,250,109,801)	(\$2,506,933,435)	(\$2,480,701,886)	(\$2,506,184,843)
Net Patient Care Revenue	\$1,994,313,774	\$2,136,589,598	\$2,181,904,998	\$2,170,157,695	\$2,229,060,637
Total Operating Revenue	\$2,072,985,950	\$2,236,101,961	\$2,284,525,547	\$2,277,096,983	\$2,356,421,429
Total Operating Expenses	\$2,024,510,581	\$2,166,619,102	\$2,217,158,273	\$2,212,848,261	\$2,280,130,288
Operating Surplus	\$48,475,369	\$69,482,859	\$67,367,275	\$64,248,722	\$76,291,142
Non-Operating Revenue	\$62,667,041	\$73,586,215	\$31,326,666	\$41,090,239	\$30,523,392
Total Surplus	\$111,142,411	\$143,069,073	\$98,693,941	\$105,338,961	\$106,814,533
Utilization Statistics					
Acute Staffed Beds	941	944	937	933	930
Acute Admissions	47,017	46,785	46,919	46,157	44,278
Physician Office Visits	3,218,653	3,313,459	3,603,603	3,562,552	3,574,959
All Outpatient Visits	3,001,446	3,116,603	2,999,932	3,061,842	3,300,062
Adjusted Admissions*	183,236	182,163	176,478	175,323	168,460
Staffing Information					
Total Non-MD \$/FTE	\$58,322	\$58,711	\$59,599	\$59,863	\$60,804
Compensation Ratio	57.8%	56.6%	57.9%	57.5%	57.1%
Total Non-MD FTEs	11,616	12,237	12,352	12,302	12,453
Physician FTEs	1,207	956	1,030	1,025	1,052

Note: Physician FTEs included FAHC residents (for Actual 2012 only).



Selected System Trends

	Actual	Actual	Budget	Projected	Budget
	2012	2013	2014	2014	2015
Uncompensated Care					
Free Care (Gross Revenue)	\$52,274,463	\$53,034,419	\$58,453,757	\$55,092,427	\$58,652,440
Free Care % of Gross Revenue	1.4%	1.3%	1.4%	1.3%	1.3%
Bad Debt (Gross Revenue)	\$78,076,825	\$74,186,355	\$83,671,426	\$76,674,266	\$86,627,708
Bad Debt % of Gross Revenue	2.5%	2.4%	2.4%	2.1%	2.4%
% share of total Gross Revenue					
Medicare	39.02%	38.83%	40.29%	38.82%	41.16%
Medicaid	16.18%	15.76%	15.93%	15.96%	16.35%
Commercial	44.80%	45.41%	43.78%	45.21%	42.49%
% share of total Net Revenue					
Medicare	34.36%	31.45%	31.01%	30.70%	31.56%
Medicaid	11.68%	13.76%	12.65%	12.75%	12.41%
Commercial	53.96%	54.78%	56.35%	56.55%	56.03%
Capital & Assets					
Capital Budget - Total	\$79,744,356	\$103,089,799	\$212,055,620	\$203,972,969	\$249,206,938
Major Movable Equipment Budget	\$50,715,060	\$55,662,713	\$69,264,250	\$72,086,385	\$70,791,693
Board Designated Assets	\$602,713,412	\$633,301,557	\$628,174,667	\$666,598,098	\$765,248,168
Net Property, Plant & Equipment	\$774,456,172	\$788,118,113	\$902,442,861	\$887,686,679	\$945,557,089
Net Assets	\$941,371,354	\$1,144,542,947	\$1,160,093,325	\$1,234,542,089	\$1,387,888,631
Financial Indicators					
Capital Cost % of Total Expense	6.4%	6.0%	6.2%	6.1%	6.0%
Days Cash on Hand	156	161	150	159	181

Total Capital Budget includes Certificate of Need plans.



		REVENUE & EXPENSES										
					HEV	ENUE & EXPENSES						
		Gross R	evenue									
	land at land One	Outs at least Ones	Dharaisis	Chronic/SNFSwina		Net Betlevit Con-	Tatal Ou south a	0	Not On south a	Non-	Excess (Deficit) of Revenue Over	
Hospital	Inpatient Care Revenue	Outpatient Care Revenue	Physician Revenue	Revenue	Deductions	Net Patient Care Revenue	Total Operating Revenue	Operating Expense	Net Operating Income (Loss)	Operating Revenue	Expense	
Brattleboro Memorial Hospital	\$30,323,009	\$99,003,763	\$20,415,403	\$0	-\$78,457,604	\$71,284,572	\$74,025,423	\$73,825,365	\$200,058	\$687,887	\$887,945	
Central Vermont Hospital	\$71,702,930	\$186,521,568	\$46,309,598	\$17,793,750	-\$156,106,002	\$166,221,844	\$177,408,793	\$172,223,604	\$5,185,189	\$1,523,130	\$6,708,319	
Copley Hospital	\$27,848,611	\$73,710,020	\$6,278,140	\$313,623	-\$48,549,910	\$59,600,484	\$61,111,237	\$59,527,135	\$1,584,102	\$180,000	\$1,764,102	
Fletcher Allen Health Care	\$699,544,357	\$1,029,801,212	\$673,792,184	\$21,881,550	-\$1,337,251,542	\$1,087,767,762	\$1,167,485,334	\$1,123,111,669	\$44,373,665	\$10,676,855	\$55,050,520	
Gifford Medical Center	\$25,046,652	\$68,287,173	\$12,040,615	\$6,919,130	-\$54,540,322	\$57,753,248	\$58,498,441	\$56,948,022	\$1,550,419	\$1,850,000	\$3,400,419	
Grace Cottage Hospital	\$1,458,598	\$11,881,124	\$4,826,156	\$6,367,427	-\$6,553,023	\$17,980,282	\$19,026,384	\$18,904,899	\$121,485	\$400,830	\$522,315	
Mount Ascutney Hospital	\$4,238,156	\$41,995,869	\$18,836,680	\$16,499,139	-\$33,060,953	\$48,508,891	\$51,855,121	\$51,096,609	\$758,512	\$303,771	\$1,062,283	
North Country Hospital	\$28,695,871	\$108,478,538	\$23,038,328	\$264,582	-\$86,891,172	\$73,586,146	\$78,897,846	\$77,623,396	\$1,274,450	\$616,154	\$1,890,604	
Northeastern VT Regional Hospital	\$28,658,300	\$78,825,900	\$16,503,600	\$2,144,400	-\$60,808,083	\$65,324,117	\$67,363,817	\$64,748,917	\$2,614,900	\$0	\$2,614,900	
Northwestern Medical Center	\$43,823,855	\$108,848,911	\$27,262,494	\$82,857	-\$89,222,232	\$90,795,885	\$95,293,624	\$90,686,161	\$4,607,463	\$407,046	\$5,014,509	
Porter Medical Center	\$35,763,460	\$81,320,566	\$26,405,232	\$266,493	-\$71,058,846	\$72,696,910	\$75,154,819	\$74,323,358	\$831,461	\$3,458,858	\$4,290,319	
Rutland Regional Medical Center	\$161,287,807	\$280,135,239	\$49,815,599	\$1,579,618	-\$268,679,323	\$224,138,940	\$233,435,903	\$225,591,022	\$7,844,881	\$8,348,861	\$16,193,742	
Southwestern VT Medical Center	\$68,947,480	\$176,981,718	\$47,715,342	\$0	-\$154,602,998	\$139,041,542	\$141,027,773	\$136,806,217	\$4,221,556	\$575,000	\$4,796,556	
Springfield Hospital	\$27,352,474	\$80,458,635	\$6,823,927	\$127,811	-\$60,402,833	\$54,360,014	\$55,836,914	\$54,713,914	\$1,123,000	\$1,495,000	\$2,618,000	
SYSTEM	\$1,254,691,561	\$2,426,250,237	\$980,063,298	\$74,240,380	-\$2,506,184,843	\$2,229,060,637	\$2,356,421,429	\$2,280,130,288	\$76,291,142	\$30,523,392	\$106,814,533	
MEDIAN	\$29,509,440	\$90,162,165	\$21,726,865	\$946,621	-\$74,758,225	\$71,990,741	\$74,590,121	\$74,074,361	\$1,567,261	\$652,020	\$3,009,210	



			UTILIZATION			STAFFING				
Hospital	Beds (Staffed)	Acute Admissions	Physician Office Visits	All Outpatient Visits	Adjusted Admissions	Total NON-MD \$/FTE	Compensation Ratio	Non-MD FTE	Physician FTEs	
Brattleboro Memorial Hospital	38	1,611	263,465	87,328	7,955	\$57,888	60.3%	405	55	
Central Vermont Hospital	80	3,407	202,029	363,773	15,316	\$59,113	63.3%	1,095	79	
Copley Hospital	21	1,490	14,757	94,327	5,786	\$61,221	59.6%	349	17	
Fletcher Allen Medical Center	392	17,999	2,550,763	1,654,004	63,307	\$64,165	56.6%	5,843	526	
Gifford Medical Center	15	1,252	38,606	54,168	5,613	\$51,129	56.6%	370	23	
Grace Cottage Hospital	7	194	24,287	22,160	3,263	\$61,287	70.4%	137	9	
Mount Ascutney Hospital	13	405	2,329	85,138	7,795	\$56,621	59.5%	320	24	
North Country Hospital	25	1,374	83,977	72,517	7,684	\$53,961	59.7%	433	31	
Northeastern VT Regional Hospital	23	1,255	64,000	157,000	5,524	\$55,160	55.7%	387	28	
Northwestern Medical Center	70	2,315	72,505	99,643	9,509	\$58,534	56.2%	530	30	
Porter Medical Center	25	1,573	100,713	67,651	6,323	\$57,660	58.8%	436	36	
Rutland Regional Medical Center	106	5,507	-	228,334	16,827	\$59,853	52.5%	1,114	90	
Southwestern Vermont Med Center	80	3,847	132,828	233,019	16,384	\$58,831	57.3%	735	81	
Springfield Hospital	35	2,049	24,700	81,000	8,597	\$55,252	49.1%	300	23	
SYSTEM	930	44,278	3,574,959	3,300,062	168,460	\$60,804	57.1%	12,453	1,052	
MEDIAN	30	1,592	68,253	90,827	7,875	\$58,211	58.1%	419	30	



	UNCOMPENSATED CARE										
Hospital	Free Care	Free Care % of Gross Rev	Bad Debt	Bad Debt % of Gross Rev							
Brattleboro Memorial Hospital	\$ 2,631,954	1.8%	\$4,155,129	2.8%							
Central Vermont Hospital	\$ 4,162,040	1.3%	\$5,414,538	1.7%							
Copley Hospital	\$ 1,342,266	1.2%	\$3,014,676	2.8%							
Fletcher Allen Medical Center	\$ 19,008,376	0.8%	\$21,203,011	0.9%							
Gifford Medical Center	\$ 1,243,823	1.1%	\$3,607,086	3.2%							
Grace Cottage Hospital	\$ 311,100	1.3%	\$451,658	1.8%							
Mount Ascutney Hospital	\$ 766,950	0.9%	\$1,943,472	2.4%							
North Country Hospital	\$ 1,229,274	0.8%	\$3,907,197	2.4%							
Northeastern VT Regional Hospital	\$ 2,709,800	2.1%	\$2,777,200	2.2%							
Northwestern Medical Center	\$ 1,543,534	0.9%	\$5,762,816	3.2%							
Porter Medical Center	\$ 1,119,868	0.8%	\$2,476,894	1.7%							
Rutland Regional Medical Center	\$ 7,391,288	1.5%	\$9,856,365	2.0%							
Southwestern Vermont Med Center	\$ 2,360,000	0.8%	\$5,850,000	2.0%							
Springfield Hospital	\$ 3,318,562	2.9%	\$4,825,416	4.2%							
SYSTEM	\$ 49,138,835	1.0%	\$75,245,458	1.6%							
MEDIAN	\$ 1,951,767	1.2%	\$4,031,163	2.3%							



		CAPITAL	FINANCIAL	INDICATORS		
Hospital	Total Capital Purchases	Non-Certificate of Need Capital Purchases Total	Certificate of Need Plans (not approved)	Capital Expenditures to Depreciation	Capital Cost % of Total Expense	
Brattleboro Memorial Hospital	\$3,390,841	\$3,390,841	\$0	78 %	6.2%	
Central Vermont Hospital	\$10,400,000	\$10,400,000	\$0	111 %	6.1%	
Copley Hospital	\$4,642,111	\$2,642,111	\$2,000,000	103 %	4.4%	
Fletcher Allen Medical Center	\$163,600,000	\$76,000,000	\$87,600,000	147 %	6.1%	
Gifford Medical Center	\$11,610,859	\$2,889,689	\$8,721,170	86 %	7.6%	
Grace Cottage Hospital	\$933,169	\$933,169	\$0	81 %	6.5%	
Mount Ascutney Hospital	\$6,507,999	\$1,948,687	\$4,559,312	69 %	6.4%	
North Country Hospital	\$3,217,415	\$3,217,415	\$0	62 %	7.5%	
Northeastern VT Regional Hospital	\$4,520,905	\$4,520,905	\$0	174 %	4.7%	
Northwestern Medical Center	\$6,675,116	\$4,675,116	\$2,000,000	116 %	5.1%	
Porter Medical Center	\$3,974,628	\$3,974,628	\$0	119 %	4.9%	
Rutland Regional Medical Center	\$14,035,000	\$7,535,000	\$6,500,000	57 %	6.7%	
Southwestern Vermont Med Center	\$13,600,000	\$13,000,000	\$600,000	208 %	5.1%	
Springfield Hospital	\$2,098,895	\$2,098,895	\$0	72 %	4.4%	
SYSTEM	 \$249,206,938	\$137,226,456	\$111,980,482	122 %	6.0%	
MEDIAN	\$5,575,055	\$3,682,735	\$300,000	95 %	6.1%	



BALANCE SHEET													
Hospital	1	Fotal Assets	Board Designated Assets			et, Property, Plant And Equipment	Long	Term Liabilities	Fund Balance (Ne Assets)				
Brattleboro Memorial Hospital	\$	69,651,847	\$	27,467,630	\$	30,777,188	\$	9,620,731	\$	47,400,625			
Central Vermont Hospital	\$	167,001,775	\$	45,500,000	φ \$	74,540,172	\$	19,143,555	\$	91,372,259			
Copley Hospital	\$	42,793,796	\$	2,750,000	\$	19,307,665	\$	4,001,201	\$	29,769,595			
Fletcher Allen Medical Center	\$	1,403,966,000	\$	454,277,000	*	523,961,000	\$	491,290,000	\$	713,580,000			
Gifford Medical Center	\$	83,048,003	\$	19,802,000	\$	38,568,003	\$	18,121,000	\$	53,402,003			
Grace Cottage Hospital	\$	12,118,186	\$	3,561,520	\$	3,685,897	\$	1,676,262	\$	8,381,967			
Mount Ascutney Hospital	\$	43,545,210	\$	14,832,977	\$	15,934,980	\$	9,977,683	\$	20,556,806			
North Country Hospital	\$	73,758,000	\$	30,736,000	\$	26,279,000	\$	1,085,000	\$	42,406,000			
Northeastern VT Regional Hospital	\$	62,122,379	\$	18,100,000	\$	25,360,208	\$	13,300,000	\$	39,722,379			
Northwestern Medical Center	\$	132,336,320	\$	25,207,612	\$	34,695,440	\$	17,275,333	\$	103,107,542			
Porter Medical Center	\$	60,081,846	\$	4,645,679	\$	21,730,708	\$	13,110,442	\$	31,831,820			
Rutland Regional Medical Center	\$	240,632,294	\$	106,142,206	\$	72,254,244	\$	39,642,907	\$	144,864,358			
Southwestern Vermont Med Center	\$	75,580,831	\$	6,578,544	\$	32,740,578	\$	15,798,000	\$	34,541,460			
Springfield Hospital	\$	49,043,706	\$	5,647,000	\$	25,722,006	\$	9,048,971	\$	26,951,817			
SYSTEM	\$	2,515,680,193	\$	765,248,168	\$	945,557,089	\$	663,091,085	\$	1,387,888,631			



Key Indicators Compared to Peers

Vermont hospital indicators are compared with both regional and U.S. peer groups. This is a table of four of the indicators that are examined.

Select Indicators and Peer Groups							
	2009	2010	2011	2012	2013	2014	2015
	Actuals	Actuals	Actuals	Actuals	Actuals	Budget	Budget
Operating Margin %	1.8%	1.9%	2.1%	2.3%	3.1%	2.9%	3.2%
Northeast CAH	-0.3%	1.4%	0.7%	n/a	n/a	n/a	n/a
Other Non-Profit	1.7%	2.6%	2.8%	1.7%	n/a	n/a	n/a
100 - 199 Beds	2.5%	3.1%	3.3%	3.5%	n/a	n/a	n/a
All Teaching	2.5%	3.5%	3.4%	3.8%	n/a	n/a	n/a
Greater Than 499 Beds	4.0%	4.7%	4.0%	4.5%	n/a	n/a	n/a
Days Cash on Hand	121.6	129.8	129.5	155.8	161.2	149.8	180.5
Northeast CAH	96.4	108.0	101.0	97.2	n/a	n/a	n/a
Other Non-Profit	113.4	125.5	97.5	61.8	n/a	n/a	n/a
100 - 199 Beds	116.3	100.3	81.1	38.6	n/a	n/a	n/a
All Teaching	101.0	130.4	102.2	43.5	n/a	n/a	n/a
Greater Than 499 Beds	116.6	138.1	120.7	81.4	n/a	n/a	n/a
Long Term Debt to Capitalization	44.7%	43.1%	41.8%	38.1%	32.7%	34.0%	32.3%
Northeast CAH	39.7%	37.1%	32.4%	39.5%	n/a	n/a	n/a
Other Non-Profit	26.9%	29.4%	30.5%	32.6%	n/a	n/a	n/a
100 - 199 Beds	30.1%	26.7%	29.3%	33.5%	n/a	n/a	n/a
All Teaching	33.4%	31.0%	33.8%	36.1%	n/a	n/a	n/a
Greater Than 499 Beds	35.5%	38.4%	40.2%	37.8%	n/a	n/a	n/a
Age of Plant	8.8	8.7	8.9	8.9	9.6	10.1	10.9
Northeast CAH	10.8	10.4	11.2	11.3	n/a	n/a	n/a
Other Non-Profit	10.5	10.8	10.4	11.2	n/a	n/a	n/a
100 - 199 Beds	9.5	9.7	10.1	11.0	n/a	n/a	n/a
All Teaching	10.7	10.7	11.0	11.5	n/a	n/a	n/a
Greater Than 499 Beds	10.4	10.7	10.7	12.2	n/a	n/a	n/a



Definition of Peer Groupings

- Northeast Critical Access Hospitals (CAH) U.S. hospitals with a special Medicare reimbursement designation based upon a 25 bed or less Inpatient daily census.
- Other Non-Profit Other U.S. hospitals not falling into the CAH, 100-199 or teaching category.
- 100-199 Beds U.S. Hospitals with between 100 and 199 acute care beds.
- All Teaching U.S. Hospitals reporting a medical education component.
- Greater than 499 Beds U.S. Hospitals with more than 499 beds.

Source of comparative data: *OptumInsight 2013 – Almanac of Hospital Financial and Operating Indicators.*



Available Reports

- Individual Hospital and System Budget Schedules (for example: income statement, balance sheet, payer schedule)
- Trend Reports (takes an account or statistic (or several) over time for a hospital or the system as a whole
- Profile Reports (takes an account or statistic (or several) for one given year and details them by hospital and a total)
- Analytical Reports: budget data presented in various ways to aid in our analyses
- **Reports Done Annually:**
 - **❖ Summary of Approved FY 2015 Budgets**
 - **❖** Summary of Actual FY 2014 Results (prepared in Feb/March 2015)



End

The GMCB approved the hospital budgets on September 4 and 11, 2014, with orders being issued on September 30, 2014. The specific hospital budget orders as well as other hospital reports can be found on our website at http://gmcboard.vermont.gov/HospitalBudgets.

If you have questions about this report or if you would like more detail, please contact Michael Davis, Janeen Morrison, or Lori Perry at the GMCB (802) 828-2177.

Published November 2014



Appendix A FY 2015 VERMONT HOSPITAL BUDGETS

Reporting Adjustments to Net Patient Revenue Growth



Reporting Changes and Budget Adjustments

The GMCB review of hospital budgets includes an analysis of the change in net patient revenues from Budget 2014 to Budget 2015. Changes include evaluating the impact on each of the payers that will fund the budget. Determining the real change from one budget year to the next requires adjustments that allow "apple to apple" comparisons.

Organizational changes related to services is a change that can distort the real budget to budget change. Therefore, the GMCB review of 2015 Budgets adjusted the budget to budget changes in order to determine total new money that was requested from the payers. This is presented in the next slide.

The GMCB also reduced the net patient revenue for one hospital budget as part of its final approval, so that adjustment is shown as well. The GMCB press release is also included and describes the results of the GMCB approved budgets.

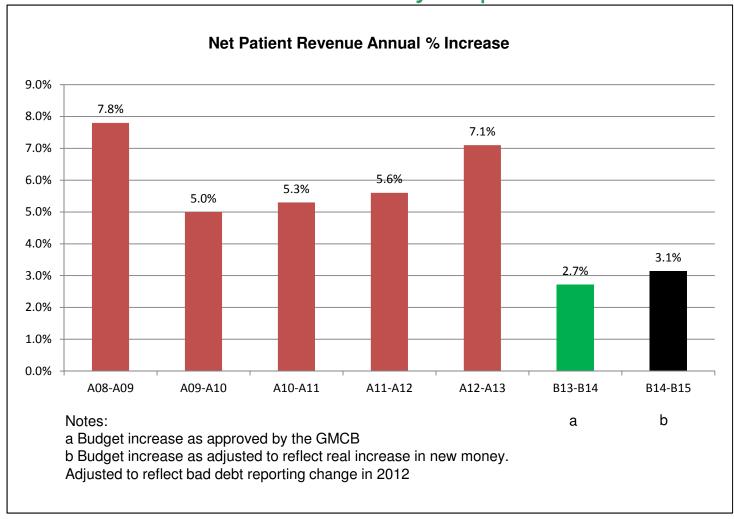


Net Patient Revenue change GMCB Decisions - 2015 Budgets

									GM	ICB Budget				
Hoonital								Reporting		Order			Final	
Hospital				Hospital			Net Patient			ustments to		inal Adjusted	Adjusted N	
	G۱	ICB Approved		Requested	Ne	t Patient Rev	Rev %	to determine	R	equested	Ne	et Patient Rev	Patient Re	ev
	E	Budget 2014		Budget 2015		Growth	change	real growth	Bu	dget 2015		Growth	% change	е
Brattleboro	\$	69,793,065	\$	71,284,571	\$	1,491,506	2.1%				\$	1,491,506	2.1%	
Central Vermont	\$	160,372,377	\$	166,221,844	\$	5,849,467	3.6%	\$ (762,673)			\$	5,086,794	3.2%	
Copley Hospital	\$	57,795,625	\$	59,600,484	\$	1,804,859	3.1%				\$	1,804,859	3.1%	
Fletcher Allen	\$ -	1,059,369,725	\$	1,087,767,762	\$	28,398,037	2.7%	\$ 10,310,301			\$	38,708,338	3.7%	
Gifford Medical Center	\$	64,106,475	\$	57,753,248	\$	(6,353,227)	-9.9%	\$ 6,648,791			\$	295,564	0.5%	
Grace Cottage	\$	16,560,535	\$	17,980,282	\$	1,419,747	8.6%				\$	1,419,747	8.6%	
Mt. Ascutney	\$	46,900,851	\$	48,508,891	\$	1,608,040	3.4%				\$	1,608,040	3.4%	
North Country	\$	75,375,299	\$	73,586,147	\$	(1,789,153)	-2.4%				\$	(1,789,153)	-2.4%	
Northeastern	\$	64,687,170	\$	65,324,117	\$	636,947	1.0%				\$	636,947	1.0%	
Northwestern	\$	87,759,305	\$	90,795,885	\$	3,036,580	3.5%				\$	3,036,580	3.5%	
Porter	\$	69,809,475	\$	72,696,905	\$	2,887,430	4.1%	\$ (440,902)			\$	2,446,528	3.5%	
Rutland Regional	\$	217,820,712	\$	224,138,940	\$	6,318,228	2.9%				\$	6,318,228	2.9%	
Southwestern	\$	139,576,168	\$	139,041,542	\$	(534,626)	-0.4%	\$ 4,869,811			\$	4,335,185	3.1%	
Springfield	\$	51,978,213	\$	54,652,014	\$	2,673,801	5.1%		\$	(292,000)	\$	2,381,801	4.6%	
Totals	\$ 2	2,181,904,996	\$:	2,229,352,632	\$	47,447,636	2.2%	\$ 20,625,328	\$	(292,000)	\$	67,780,964	3.1%	

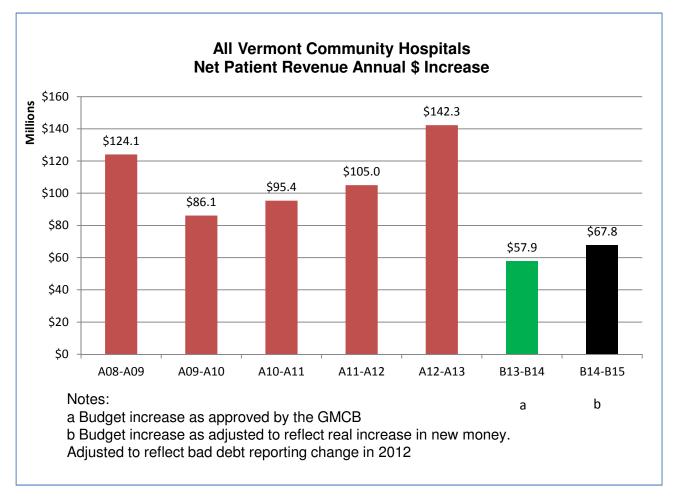


Net patient revenue annual increase adjusted to reflect new money requests





Net patient revenue annual increase adjusted to reflect new money requests





FY 2015 Press Release

FOR IMMEDIATE RELEASE: September 11, 2014 For more information, contact Anna Bassford (802-828-2130)

GREEN MOUNTAIN CARE BOARD ANNOUNCES 2015 HOSPITAL BUDGET DECISIONS

Montpelier, VT – The Green Mountain Care Board (GMCB) today completed its decisions on budget requests from Vermont's hospitals for fiscal year 2015, which begins October 1, 2014. The decisions set the total fiscal year 2015 budget increase for Vermont's hospital system at 3.1 percent, including 0.6 percent that qualifies as investments in health reform. This marks the second year in a row that Vermont's 14 hospitals as a group have kept net patient revenue increases below the target set by the GMCB.

In written guidance issued in March 2013 and reiterated this spring, the GMCB instructed hospitals to hold their FY15 net patient revenue increases to no more than 3 percent plus an allowance of up to an additional 0.8 percentage points for investments in health reform initiatives. Hospitals submitted budget requests in July, starting a two-month review process that included GMCB staff scrutiny of the budgets, open hearings with each hospital in August, a public comment period, input from the Office of the Health Care Advocate, and discussion in GMCB's weekly open meetings.

Although the preliminary budget data, as submitted in July, showed a lower system-wide increase, the GMCB's analysis determined that adjustments had to be made to several hospitals' budget information, yielding the final 3.1 percent increase. While the full 3.8 percent allowance would have added approximately \$83 million in net patient revenue to the system, the approved 3.1 percent increase adds \$67.8 million. Net patient revenue includes payments hospitals receive from patients, government, and insurers to pay for patient care—but not revenues from other activities such as cafeterias, parking, and philanthropy.

The second key indicator of growth in hospital revenue is the "rate"—the increase in the price a hospital sets for services before negotiating with insurers. The GMCB approved rates ranging from no change to 8.4 percent for Vermont hospitals in fiscal year 2015. (See attachments for details of individual hospital and system-wide revenues and rates.)

"Two years into a three-year plan, it's good to see the budget review process doing what it is designed to do," said GMCB Chair Al Gobeille. "As a statewide system, Vermont's hospitals continue to do the hard work to meet our expectations for restrained budget growth."

For more information on the GMCB hospital budget review process, including submissions from each hospital and their responses to GMCB questions on those submissions, see the GMCB website: http://gmcboard.vermont.gov/hospitalbudgets.

